# Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail


July 3, 2008

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, July 10, 2008** Commission meeting. Minutes of the May 8, 2008 meeting will be e-mailed for your review. Please review the minutes prior to the meeting.

Our meeting will be held in the Vern Riffe Center, 31st floor, South B&C, beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

Jolene

Jolene M. Molitoris
Chairwoman

enclosures

# THE OHIO RAIL DEVELOPMENT COMMISSION

**MEETING AGENDA**
**Thursday, July 10, 2008**
**Vern Riffe Center for Government & the Arts**
**77 South High Street, 31st floor, Columbus, Ohio**

**CALL TO ORDER:** Jolene M. Molitoris, Chairwoman

- Welcome
- Roll Call
- Approval of Minutes from May Meeting

**EXECUTIVE DIRECTOR REPORT:** Matt Dietrich

**FINANCE REPORT:** Megan McClory

**PROJECTS FOR APPROVAL**

- Resolution 08-11 Trumbull County/Warren & Trumbull Railroad/Warren Steel Holdings
- Resolution 08-12 Lancaster Port Authority/US Corrugated
- Resolution 08-13 2008 Polar Express Request/Panhandle Line

**PANHANDLE LONG TERM LEASE COMMITTEE REPORT**
Commissioner Tom McOwen, Committee Chairman

**REPORTS OF STANDING COMMITTEES**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURN**

TO: ORDC Commissioners
FROM: Matthew Dietrich
SUBJECT: July 2008 Executive Director's Report

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This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the May Commission Meeting

*Steel Coil / Truck Weight:* Since the May Meeting, House Bill 30 passed with the amendment that will permit three (3) steel coils at 120,000 lbs. in TEMPORARY law. At the time of this report, ODOT is in the process of filing the new rules including the new fee schedule with regard to permitting of steel coil and other overweight/oversized truck.

*21st Century Task Force:* The ORDC staff has been very active with the 21st Century Task Force. ORDC has provided presentations to multiple committees as well as participated in several of the regional meetings. In addition to the ORDC, the railroads have done several presentations, including Bill Callison of the WLE and Bill Harris of NS. Additionally, Art Arnold is a member of the Task Force. Given the current state of fuel prices, it should come as no surprise, that there has been a lot of support from the public for increased use of rail for both freight and passenger in Ohio.

*CSX National Gateway:* ORDC represented Ohio at a meeting of states in Baltimore regarding the CSX National Gateway Project. Additionally, staff from the various state rail agencies has been meeting via conference calls periodically as this project progresses.

*Economic Stimulus Package:* On June 12, 2008, the Governor signed HB 554, the $1.57 billion bipartisan economic stimulus package which includes $100 million for logistics and distribution. The logistics and distribution will be administered by the Ohio Department of Development through the Development Financing Advisory Council with consultation of Department of Transportation and the Ohio Rail Development Commission. ORDC staff continues to work with our state partners as we scope out the parameters and procedures for this new program.

*Corrections Bill:* ORDC is pleased to announce that the requested changes that will allow ORDC to leverage its loan funds for Enterprise Bond Fund financing through the Department of Development. I want to personally thank ORDC's Legislative members as well as Senator Padgett and State Treasurer Richard Cordray for their assistance in securing approval of these changes in Conference Committee.

*Amtrak 3-C Service:* Staff continues will its efforts to narrow down the list of alternative routes to forward to Amtrak. It appears now that the single biggest determining factor will be rail network complexity/congestion as the distance and population criteria did not eliminate many routes. Additionally, staff has been meeting with community representatives from the major cities on the line to get input regarding any local station planning efforts. To date, staff has met with officials from the City of Cincinnati, Ohio-Kentucky-Indiana Council of Governments, Southwest Ohio Regional Transit Authority,

Miami Valley Regional Planning Commission, City of Dayton, Greater Dayton Regional Transit Authority, the City of Cleveland and the Mid-Ohio Regional Planning Commission.

*Federal Grant Funding for Passenger Rail Planning Efforts:* ORDC is participating in two (2) grant applications to the Federal Railroad Administration. As part of the eight-state MWRRI, Ohio is a co-applicant for planning funds in amount of $594,000 to resolve routing issues associated with many corridors including the Chicago-Cleveland Corridor. Additionally, ORDC has submitted a separate application for $125,000 to help resolve short-term and long-term routing and station location issues in the 3-C Corridor. These planning funds are part of the $30 million appropriation by Congress for the Capital Assistance to States for Intercity City Passenger Rail Service Program. Ohio is competing for approximately $3 million set aside for planning level efforts. This program is a 50 percent matching program with the states.

*Federal Legislation Regarding Passenger Rail:* As many of you are aware, the House of Representatives passed HR 6003: The Passenger Rail Investment & Improvement Act of 2008. Together with Senate approval of S-294, there could be significant benefits for Ohio's passenger rail efforts. Below is a synopsis of the bill done by Stu Nicholson. *(Note: these are general impressions and could change depending on how the bills are resolved in Conference Committee into a unified bill.)*

- Both bills set up a federal / state matching grant program on an 80/20% match basis. The House authorization is for $500-million in grant dollars each year for five years for conventional passenger rail projects. It also authorizes $1.7-billion in high speed rail grants to either Amtrak or states. The Senate version specifies a graduated percentage of the total federal authorization would be directed at state passenger rail projects, with the rate ranging from 3% in the first year to 33% in the final year.
- S-294 authorizes USDOT to designate state-issued bonds for capital projects limited to $1.3-billion per year for nine years.
- HR-6003 allows states 50% credit of the average capital expenditures for intercity passenger rail made from the years FY-2002 to FY-2008. This credit can be applied toward the state match.
- Both bills require state rail plans to be created. The question is whether the Ohio Hub Plan could be defined as a "state rail plan", or at least as the core of such a plan. It is most likely that Ohio will need to create a "state rail plan" as defined in the legislation to be eligible for funding.
- HR-6003 specifies a separate designation for "high speed" (110mph) passenger rail. Grants would be made on an 80/20% match. Also carries a "domestic buying preference" on equipment purchases. Could this provision be the basis for positioning Ohio to adaptively re-use idled automobile plants to attract rail car manufacturers, as most are already rail-served and would require some re-tooling?

*Rail Line Rehabilitation Program:* Following ORDC's actions last year, ORDC is soliciting Rail Line Rehabilitation projects for Fiscal Year 2009. Letters were sent to the

railroads last week. Staff hopes to bring $1 million - $1.5 million in Rehabilitation projects to the Commission for consideration at the September meeting.

*Commission Retreat:* ORDC staff is attempting to schedule the Commission Retreat in October. It is our hope that this scheduling will complement the timing of multiple ongoing efforts including the recommendations of the 21st Century Task Force, the start of the Amtrak 3-C work, the appraisal of the Panhandle Rail line and the scheduling of approval for the rehabilitation projects at the September meeting. This timing will also put the Commission on track to begin to have two retreats per year, one in the fall and another in the spring as was requested by multiple Commissioners. Staff will provide dates and locations in the near future.

*Panhandle Inspection Tour:* ORDC staff and commissioners toured the Panhandle Rail line as part of its efforts to develop a long term lease. The trip included an inspection of the Gould Tunnel then an interchange with the WLE to Rook Yard in Pittsburgh, PA. The trip was extremely enlightening and provided a great perspective on the state's asset as well as some of the challenges and opportunities for rail infrastructure in Eastern Ohio. Thanks to the I&O, the WLE and the Ohio Central for their cooperation in making this event happen.

*Outreach:* In our effort to reach out to our rail customers, ORDC managers have met with the WLE and Rail America. We are currently scheduling visits to RJ Corman, Ohio Central as well as CSX in Jacksonville and NS in Norfolk. Additionally, because of the activity at the federal level, ORDC staff now has weekly conference calls with the Governor's Washington Office. As a result of that activity, staff intends to travel to Washington D.C. in mid-July to provide briefings to Congressional offices.

*New Staff:* Please join me in welcoming Cathy Stout and Tom Burns to the Commission. Cathy has joined the safety staff on a permanent basis and Tom will be doing grade crossing and other research as our intern.

# OHIO RAIL DEVELOPMENT COMMISSION
# INTER-OFFICE COMMUNICATION

**TO:** **Matthew Dietrich, Executive Director**

**FROM:** **Susan J. Kirkland, Manager, Grade Crossing Safety Section**

**SUBJECT:** **Safety Section Progress Report**

**DATE:** **July 1, 2008**

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The following major objectives were met by the Safety Section during the last several months:

a) The Safety Section welcomed two new employees on June 23, 2008.

i) Cathy Stout joins us as a Management Analyst Supervisor 1. Cathy comes to us from the Department of Mental Health. Cathy will be responsible for project management and assisting the field staff with office functions that can not be properly managed with only four project managers.

ii) Tom Burns joins us as a college intern. Tom is a second year Law student at OSU. Tom will focus on the development of a comprehensive database for the 3-C corridor in relationship to public, private, at-grade and grade separated crossings. Tom will also assist the Safety Section with the management of Angels on Track *Dangerous Crossing Reports.*

b) The ORDC continues to receive constituent complaints generated through The Angels on Track Foundation website and the filing of *Dangerous Crossing Reports*. A public awareness campaign initiated the safety advocacy organization has resulted in the generation of approximately 276 reports of dangerous conditions since May of 2007. Susan Arduini continues to monitor the complaints through a spreadsheet. The number of reports generated slowed over the winter months but with the public service announcements beginning again the flow has increased.

c) The ORDC Safety Section continues to work with the City of Vermilion on a rail safety corridor on the Norfolk Southern (NS) Chicago Line through the community. Demo Project OH378 was created by Congresswoman Marcy Kaptur for $1 million. While this is generous and much appreciated by the community, it falls significantly short of the amount needed to establish the desired quiet zone through five crossings in the downtown area. The ORDC is looking to develop a comprehensive project that would be a public/private partnership and a win/win for all concerned. The City of Vermilion has joined in the effort by agreeing to close a fairly heavily used crossing in the downtown area.

d) Several communities are moving forward with consolidation projects for funding in the new FY 2009. Below is a brief summary of some of the more noteworthy projects.

i) Bedford in Cuyahoga County on the Cleveland Commercial Railroad (CCRR) The project entails the elimination of W. Monroe Avenue and S. Park Street in exchange for the upgrade of N. Park Street and Powers Road.

ii) City of Perrysburg in Wood County on the CSX Transportation Louisville Division. The rail line carries 30 trains per day at 25 mph across 12 public grade crossings in the community. The City of Perrysburg has accepted the following proposal:

(1) Closure of Pine Street (#155824E) in exchange for the upgrade of Cherry Street (#155825L)
(2) Closure of Cherry Street (#155825L) in exchange for the upgrade of Elm Street (#155830H )
(3) Closure of Hickory Street (#155833D ) in exchange for the upgrade of Locust Street (#155831P)

iii) The Village of Leipsic in Putnam County on both the NS B-Line Corridor and a new private rail spur to be owned by the Village The Village agreed to close a crossing on the NS B-Line in exchange for accessing ORDC Safety funds for the creation of a new crossing over SR 65 on a new rail siding serving a industrial park. NS agreed to team with the ORDC and fund at an 80/20% split the relocation of the warning devices from the closed crossing to another location warranting an upgrade on the same rail line.

e) Operation Lifesaver will host two enforcement trains in August. The trips are briefly outlined below. ORDC Commissioners are welcome to take part in either trip. Attached to this section report are the details and form to fill out if participation is desired.

**August 6, 2008:** Delaware to Chillicothe and return, departing 9:00 a.m. and returning at 4:00 p.m. Reservations must be made no later than July 30.

**August 13, 2008:** Toledo to Bellevue, departing 9:30 a.m. and returning at 2:20 p.m. Reservations must be made no later than August 4.

f) The closeout of FY 2008: The Safety Section expended $20,123,907 in FY 2008 on 53 light and gate installations, 8 surface reconstruction projects and 4 closures.

g) The Safety Section continues to progress the NS corridor on the CJ line from Columbus to Cincinnati. The Springfield phase of the project is currently under construction. The second phase of the project will be Montgomery County, City of Miamisburg. This segment includes 7 warning device installations and the potential closure of two vehicular and one pedestrian crossing.

OPERATION LIFESAVER® Ohio

**July 1, 2008**

Dear Operation Lifesaver Safety Advocate_____

Ohio Operation Lifesaver a national non profit public safety education organization in partnership with the Norfolk Southern Corporation invites you as our guest to participate on an ***"Operation Lifesaver Workshop Enforcement Train"*** scheduled for **August 13, 2008**. This special passenger coach train will operate round trip from Toledo to Bellevue, Ohio with brief intermediate stops in Oak Harbor and Fremont. The train will proceed to Bellevue and return. Lunch will be provided on the train.

SAFETY OBJECTIVES

- **Prevent needless fatalities and injuries at highway-rail intersections**
- **Prevent pedestrian trespass incidents with trains**
- **Educate and increase awareness of passenger guests and public.**

Invited guests include Public Officials, Law Enforcement, Fire/EMS, Judges, Educators, Prosecutors, Engineering Professionals, Truck Driver Transportation Industry, School Transportation, Media, Railroad Staff and Safety Advocates.

Law enforcement officers from the counties, municipalities, townships along the route, as well as Ohio State Highway Patrol Officers in cars and aircraft will monitor crossings and apprehend motorists or pedestrians who choose to ignore the crossing warning devices, placing their lives and the lives of their passengers, the train crew and the community at risk. An officer is positioned in the locomotive cab observing crossings for violators. A camera is mounted on the nose of the locomotive with live feed monitors to give passengers an engineer's view.

Ohio Operation Lifesaver State Coordinator, Shel Senek, government officials and railroad staff will be on board to answer questions concerning the "Three E's" of Operation Lifesaver, **EDUCATION, ENGINEERING** and **ENFORCEMENT**. Listed below are the locations, scheduled departures and return times.

| CITY/COUNTY | LOCATION | ARRIVAL | DEPARTURE |
|---|---|---|---|
| **Toledo** | **Amtrak Station** | **8:30 a.m.** | **9:00 a.m.** |
| **Oak Harbor** | **Walnut St. Crossing** | **9:50 a.m.** | **10:00 a.m.** |
| **Fremont** | **Curwood, Inc.** | **10:20 a.m.** | **10:30 a.m.** |
| **Bellevue** | **Prepare to return & Lunch** | **11:10 a.m.** | **12:10 p.m.** |
| **Fremont** | **Curwood, Inc.** | **12:50 p.m.** | **1:00 p.m.** |
| **Oak Harbor** | **Walnut St. Crossing** | **1:20 p.m.** | **1:30 p.m.** |
| **Toledo** | **Amtrak Station** | **2:20 p.m.** | **End Trip** |

Please arrive at your boarding location **20 minutes** prior to the scheduled departure to allow time for parking, boarding and seating. Ladies, avoid wearing dresses and high heel shoes. **Return your reservation no later than August 4, 2008,** by completing the attached boarding pass. I hope your schedule permits you to join us.

Remember, at highway-rail grade crossings, **ALWAYS EXPECT A TRAIN AT ANY TIME ON ANY TRACKS and LOOK, LISTEN, AND LIVE!**

COMPLETE THE BOARDING PASS INFORMATION BELOW AND RETURN TO SHEL SENEK, BY **E-MAIL**, oplifeohio@aol.com, **FAX,** (614) 771-3273, OR **REGULAR MAIL**, OHIO OPERATION LIFESAVER, 5075 FISHER RD., COLUMBUS, OHIO, 43228-9145. **RESERVATIONS MUST BE RECEIVED NO LATER THAN AUGUST 4, 2008.**

BRING A COPY OF YOUR COMPLETED BOARDING PASS TO YOUR DEPARTURE LOCATION. QUESTIONS PERTAINING TO YOUR RESERVATION CONTACT: **Shel Senek at: (614) 771-3071.**

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**PLEASE CHECK ONE BELOW**

**(  ) Please reserve a seat for the Workshop Enforcement train on August 13, 2008.**

*****Enter email or fax so we can confirmed your reservation:**_____
(Enter Email or Fax)

*****If cancellation occurs, please notify my office as soon as possible.**

**(  ) Sorry, I cannot attend, but would like to be placed on the invitation list for future workshop enforcement trains.**

**(  ) Sorry, I cannot attend.**

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# BOARDING PASS

**"BRING PASS TO BOARDING LOCATION"**

## *Ohio Operation Lifesaver Workshop Enforcement Train*

**VALID for AUGUST 13, 2008**

**Name:** _____ **Date:** _____
(PLEASE PRINT)

**Affiliation:** _____ **Position:** _____

**Telephone:** ___ - ___ - _____ **Email:** _____

**What location will you board the train?** _____

**What location will you get off the train?** _____

* Bring completed copy of Boarding Pass to boarding location
** Contact Shel Senek at (614) 771-3071 or email oplifeohio@aol.com for questions
*** Partnership acknowledgement: NORFOLK SOUTHERN CORPORATION

# BOARDING/DROP OFF INFORMATION

***Toledo Amtrak Boarding & Drop Off***

**TOLEDO** – Interstate 75 and exit at Collingwood. Follow signs to Amtrak Station. Drive across the Amtrak tracks under the canopies and park in parking lot. Guest will board at the Pad.

***Oak Harbor Walnut St. Crossing Boarding & Drop***

**OAK HARBOR** – Turn north on Church Street off of State Route 163. Take Church Street to Walnut Street, then turn left. Take Walnut Street one block and turn right in parking area. There is ample parking on the north side of Walnut Street on the east side of the crossing.

***Fremont Boarding & Drop Off***

**FREMONT** – The train will stop at Curwood, Inc., 730 Industrial Drive, Fremont, Ohio 43420. The Plant Manager has granted permission for guests to park their vehicles in the plant parking lot. Directions to Curwood, Inc., take Industrial Drive off of State Route 53 across from Lowe's. Follow to the left 1/10$^{th}$ mile and turn right into Curwood, Inc.

OPERATION LIFESAVER® Ohio

**June 30, 2008**

Dear Operation Lifesaver Safety Advocate_____

Ohio Operation Lifesaver a national non profit public safety education organization in partnership with the Norfolk Southern Corporation invites you as our guest to participate on an ***"Operation Lifesaver Workshop Enforcement Train"*** scheduled for **August 6, 2008**. This special passenger coach train will operate round trip from Delaware to Chillicothe, Ohio with brief intermediate stops in Columbus, Duval Road crossing northern Pickaway County and Circleville. The train will proceed to Chillicothe and return. Lunch will be provided on the train.

SAFETY OBJECTIVES

- **Prevent needless fatalities and injuries at highway-rail intersections**
- **Prevent pedestrian trespass incidents with trains**
- **Educate and increase awareness of passenger guests and public.**

Invited guests include Public Officials, Law Enforcement, Fire/EMS, Judges, Educators, Prosecutors, Engineering Professionals, Truck Driver Transportation Industry, School Transportation, Media, Railroad Staff and Safety Advocates.

Law enforcement officers from the counties, municipalities, townships along the route, as well as Ohio State Highway Patrol Officers in cars and aircraft will monitor crossings and apprehend motorists or pedestrians who choose to ignore the crossing warning devices, placing their lives and the lives of their passengers, the train crew and the community at risk. An officer is positioned in the locomotive cab observing crossings for violators. A camera is mounted on the nose of the locomotive with live feed monitors to give passengers an engineer's view.

Ohio Operation Lifesaver State Coordinator, Shel Senek, government officials and railroad staff will be on board to answer questions concerning the "Three E's" of Operation Lifesaver, **EDUCATION, ENGINEERING** and **ENFORCEMENT**. Listed below are the locations, scheduled departures and return times.

| CITY/COUNTY | LOCATION | ARRIVAL | DEPARTURE |
|---|---|---|---|
| **Delaware** | **SR 37 & US 36** | **8:30 a.m.** | **9:00 a.m.** |
| **Columbus** | **Marconi Blvd.** | **9:40 a.m.** | **9:50 a.m.** |
| **Pickaway Co.** | **Duval Rd.** | **10:30 a.m.** | **10:40 a.m.** |
| **Circleville** | **Clinton Rd** | **11:10 a.m.** | **11:20 a.m.** |
| **Chillicothe** | **Prepare to return & Lunch** | **12:10 p.m.** | **1:00 p.m.** |
| | | | |
| **Circleville** | **Clinton Rd.** | **1:40 p.m.** | **1:45 p.m.** |
| **Pickaway Co.** | **Duval Rd.** | **2:15 p.m.** | **2:20 p.m.** |
| **Columbus** | **Marconi Blvd.** | **3:00 p.m.** | **3:10 p.m.** |
| **Delaware** | **SR 37 & US 36** | **4:00 p.m.** | **End Trip** |

Please arrive at your boarding location **20 minutes** prior to the scheduled departure to allow time for parking, boarding and seating. Ladies, avoid wearing dresses and high heel shoes. **Return your reservation no later than July 30, 2008,** by completing the attached boarding pass. I hope your schedule permits you to join us.

Remember, at highway-rail grade crossings, **ALWAYS EXPECT A TRAIN AT ANY TIME ON ANY TRACKS and LOOK, LISTEN, AND LIVE!**

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BRING A COPY OF YOUR COMPLETED BOARDING PASS TO YOUR DEPARTURE LOCATION. QUESTIONS PERTAINING TO YOUR RESERVATION CONTACT: **Shel Senek at: (614) 771-3071**.

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**PLEASE CHECK ONE BELOW**

**(  ) Please reserve a seat for the Workshop Enforcement train on August 6, 2008.**

*****Enter email or fax so we can confirmed your reservation:**_____
(Enter Email or Fax)

*****If cancellation occurs, please notify my office as soon as possible.**

**(  ) Sorry, I cannot attend, but would like to be placed on the invitation list for future workshop enforcement trains.**

**(  ) Sorry, I cannot attend.**

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# BOARDING PASS

****BRING PASS TO BOARDING LOCATION****

## *Ohio Operation Lifesaver Workshop Enforcement Train*

**VALID for AUGUST 6, 2008**

**Name:** _____ **Date:** _____
(PLEASE PRINT)

**Affiliation:** _____ **Position:** _____

**Telephone:** ___ - ___ - _____ **Email:** _____

**What location will you board the train?** _____

**What location will you get off the train?** _____

* Bring completed copy of Boarding Pass to boarding location
** Contact Shel Senek at (614) 771-3071 or email oplifeohio@aol.com for questions
*** Partnership acknowledgement: NORFOLK SOUTHERN CORPORATION

# BOARDING/DROP OFF INFORMATION

*Delaware Boarding & Drop Off*

**Boarding is south of the intersection of SR 37 & US 36 at the east edge of Delaware. Parking is located on the west side of the railroad overpass. Passengers will walk up the gravel drive to board the train.**

*Columbus Boarding & Drop*

**Board at Marconi Blvd., one block west of Front St. or one block north of Spring St. Parking is available at any of the adjacent parking garages or parking lots in the area.**

*Duval Road Crossing Boarding & Drop Off*

**Board the train at Duval Rd. and Norfolk Southern tracks. Travel US 23 south of the Franklin-Pickaway County Line to access Duval Road. Travel east (left) on Duval Rd. about one mile to the Norfolk Southern tracks. Parking is available adjacent to the tracks.**

*Circleville Boarding & Drop Off*

**Boarding located at Clinton Street and Norfolk Southern tracks crossing south of downtown Circleville. Parking is available adjacent to the tracks.**

ACCOMPLISHMENTS REPORT
PLANNING AND PROJECT DEVELOPMENT
May 1 to July 2, 2008

| PLANNER | DEVELOPMENT SPECIALISTS |
|---|---|
| **Don Damron** | **Lou Jannazo** |
| | **Bev Lee** |

## FIELD & TRACK INSPECTION

- Field inspection of possible extension of lead track serving the Andersons ethanol plant in Greenville into Tinnerman Truss and a Greenville industrial park.
- Field inspection of potential new connection of RJ Corman Lima to Elgin line to CSX in Lima.
- Brief driving tour of NS Peavine line.

## ADMINISTRATIVE

- Continued staffing new Commission sub-committee on the Panhandle lease
- Helped prepare agendas and briefing packets for July 10, 2008 meeting including 2 project briefings.
- Prepared power points for July meeting.
- Continued updating contract and contract amendment tracking system to keep better account of various EPA and Taxations clearances and the contracting process.
- Developed grant agreements for 5 projects approved at May meeting.
- Refined grant template for rehabilitation and spur projects.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on various grant recipients.
- Don Damron has taken over as ORDC Webmaster and continues to update our site.

## TRAINING

- Bev, Don, and Lou took training for new Work and Excel systems now on all ORDC computers.
- Lou attended a Transportation Research Board seminar on the future of private-public partnerships and freight development.

## FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

*New Project Development/Continued Project Development*

- Developed commitment letters wind mill production plant (Project Breeze), for Project Leonardo, and for Warren & Trumbull RR line reactivation;
- Investigated new & ongoing spur projects such as Ametek Plastics in Wapakoneta, Project Glen Echo (confidential) near Springfield, Westerman Companies in Bremen, Steel Warehouse in Mentor, Sunrise Coop in Clyde, Pepperidge Farms in Willard, Republic Specialty Metals in North Jackson, Ohio Basic Minerals in Jackson as well as other projects.
- Continued working on Warren Steel Holding project; coordinated with parties involved on $400,000 gap in funding; suggested next step options; pushed to get parties meeting.

Mill is up and running and moving on in plant rail needs.

- Continued working with W&LE, Carroll County, rail line shippers, and others on getting funding for the Carrollton Branch repair lined up. There have been problems with the County getting the $490,000 in Community Development Block Grant funds which ORDC staff (and everyone else) had expected to happen without much problem.
- Followed up with Lancaster Port Authority on Phase II loan for US Corrugated spur.
- Continued working with City of Jackson, Jackson County Economic Development, US Rail, ODOD and others on raising funds for Phase II of Jackson Line rehabilitation.

**PASSENGER PLANNING**

***Ohio Hub***

- Continued working on efforts to obtain federal earmarks for the PEIS. Don Damron and Stu Nicholson continue to provide information to various Congressional offices.
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued with various meetings and presentations on Ohio Hub plan.

***Amtrak 2C/3C Corridor Investigations***

- Prepared grant application to FRA for planning funds ($62,500 in FRA funds matched by $62,500 ORDC) to help with long term station development issues and with capacity modeling that will determine the capital needs to mix passenger trains in with existing freight traffic.
- Did more research into the potential requirements for public input and alternative analyses for start up Amtrak service, especially as it relates to possible future federal funding.
- Made much progress in carrying out "in house" Alternatives Analysis work plan presented to the Commission at the May meeting. There are 27 possible route combinations/permutations between Columbus and Cleveland and 6 between Columbus and Cincinnati. Most have fatal flaws such as distance, track condition, complexity (too many different railroads), obstacles like going through major yards, etc. The final analysis should provide a recommendation to Amtrak to look at the preferred corridor (i.e. NS downtown Cleveland to Berea, CSX Berea to Galion to Columbus, and NS from Columbus through Springfield and Dayton to Cincinnati) and one or two variations.
- Met with city, transit, and MPO officials in Columbus, Dayton, and Cincinnati about the 3C project in general and how ORDC needs to coordinate with locals on station location issues as well as tying the 3C trains into the local transportation system.

***Other Passenger Initiatives***

- Continued coordination with the MWRRI study effort by participating in meetings and calls.
- Continued investigating passenger station development issues.
- Continued supporting local efforts to develop passenger service, particularly in west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.

## OTHER PLANNING INITIATIVES

***Panhandle Lease Sub-Committee:*** Participated in sub-committee meetings; participated in field inspection of Panhandle and W&LE lines between Columbus and Pittsburgh.

*Miscellaneous*

- Put together FY 2009 "Request for Projects" packet soliciting Rehabilitation Program projects for the Fall and Spring. (Special thanks to Wende for actually doing the work to get about 40 packets together and out the door to all Ohio railroads and public owners of rail tracks.)
- Continued monitoring the Gateway project.
- Provided detailed comments and editing the next generation "Rail Freight Bottom Line Report" as part of ORDC participation in the AASHTO Standing Committee on Railroad Transportation.

## MISCELLANEOUS

- ***Liability Task Force:*** No activity.
- ***Glass Rock Branch:*** Met with Z&WRY officials to figure out next steps.
- ***Diesel Retrofit:*** Continued coordinating with ODOT to learn why there are delays in the program.

## SAFETY

- Gave Operation Lifesaver presentations at two elementary schools.

WPDOCS/AccomplishmentsCommission

MEMORANDUM
July 2, 2008

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

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Accomplishments and Highlights of the Finance Section from April 30 to July 2, 2008:

1. **Financial Statements.** Staff is preparing statements to reflect current outstanding loans, revenue collection, and project balances.

2. **Happy (Fiscal) New Year!** Fiscal year 2008 ended on June 30 and fiscal year 2009 started on July 1. Approximately $5,600 in GRF funding was left unspent at the end of FY 2008. Fiscal year 2009 budgets have been submitted and are available for use as soon as the accounting systems are available.

3. **Ohio Operation Lifesaver.** ORDC has agreed to provide a grant to Ohio Operation Lifesaver in an amount equal to the rental charge for Ohio Operation Lifesaver's booth ($1,300) at the 2008 Ohio State Fair from July 30 to August 10, 2008.

4. **Toledo Metropolitan Area Council of Governments (TMACOG) Ohio Conference on Freight 2008.** TMACOG has asked ORDC to sponsor its 2008 freight conference in September. Due to the budget constraints and the demands for ORDC's project funding, staff have decided to provide a grant of $2,500. This is half of the amount we provided in 2007 but supportive of TMACOG's efforts to foster the state's freight and logistics industries.

5. **Buckingham Coal Company/Norfolk Southern Project.** On May 9, ORDC authorized Buckingham Coal Company and Norfolk Southern to proceed with construction of connecting track and the installation of lights and gates at a crossing of SR 13 in Perry County. The construction is being funded by a federal allocation of $495,000 through the Appalachian Regional Commission.

6. **Marne Bridge.** Staff is continuing to work on an agreement with the Columbus & Ohio River Railroad (C&OR) to eliminate a bridge that crosses the Panhandle Line in Licking County and install a private at-grade crossing. The bridge in question is in poor condition and local emergency responders will not drive vehicles across it. The bridge provides the sole source of access to a single residence. Staff expects that ORDC will fund the construction costs, with the railroad providing safety measures, installing the crossing, and executing the project.

7. **Panhandle appraisal.** The Panhandle Line Advisory Committee directed staff to engage Continental Appraisal Company, the reviewer of the 2004 Panhandle appraisal, to update the appraisal of the entire asset – track, fixtures, and land. The contract received all required

approvals and the appraisal is now underway.

8. **Fiscal years 2010-2011 budget process.** Matt Dietrich, Susan Kirkland, and I met with Director Beasley, the ODOT Chief of Staff, and other district and central office deputy directors to give an overview of ORDC's programs and our budget situation. The meeting was one in a series that ODOT is holding as part of the preparation of the 2010-2011 transportation budget. The due date for budget requests is September 15, 2008.

9. **Columbiana County Port Authority/Eastern States Railroad loan.** ORDC has been working with the Eastern States Railroad/Total Waste Logistics to transfer an ORDC loan from the Columbiana County Port Authority and Central Columbiana and Pennsylvania Railway to the Eastern States Railroad. The loan was used to Youngstown & Southern rail line. Eastern States has been making payments on the loan, and despite some operating difficulties in the spring due to poor weather conditions, is back on track to transfer the loan.

## OHIO RAIL DEVELOPMENT COMMISSION: June 2008 Finance Report

### GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS

| | | |
|---|---|---|
| ***GRF APPROPRIATION FOR PROJECTS*** | | **2,722,843** |
| *LESS: PROJECTS ENCUMBERED or DISBURSED* | | |
| **TMACOG - Freight Conference** | **5,000** | |
| **WLE Carrolton Branch Tunnel Clearance** | **147,463** | |
| **Trotwood - Auto Logistics Project** | **200,000** | |
| **Case Farms Lead Track Rehab** | **200,000** | |
| **Carrollton Branch Rehabilitation** | **250,000** | |
| **Akron Metro RTA (Canton Line bridges)** | **200,000** | |
| **Camp Chase Phase II Rehab** | **150,000** | |
| **Cleveland Commercial Railroad/Track Improvements** | **100,000** | |
| **RJ Corman Cleveland Line Rehab** | **112,500** | |
| **Indiana Northeastern Crossing Upgrades** | **75,000** | |
| **Maumee & Western Defiance Yard & MP 42 to MP 43** | **150,000** | |
| **Ohi-Rail Grade Crossing Vegetation & Sight Distance Imp** | **75,000** | |
| **Westco Sugar Creek Bridge #2** | **250,000** | |
| **Youngstown & Southeastern RR/3 Crossings** | **67,000** | |
| **Appleton Papers Spur** | **50,000** | |
| **Buckeye Industrial Mining Transload** | **200,000** | |
| **City of Jackson/US Rail Rehabilitation** | **324,000** | |
| **Hydrodec Trackmobile** | **75,000** | |
| **Lancaster Port Authority** | **90,000** | |
| *TOTAL* | *2,720,963* | *-2,720,963* |
| ***BALANCE OF GRF APPROPRIATION FOR PROJECTS*** | | ***1,880*** |
| ***GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS*** | | **110,211** |
| Highway-Railroad Safety Consulting, LLC | 12,888 | |
| Capital Partnerships, LLC | 15,450 | |
| FY 2008 Budget Reduction | 4,635 | |
| Continental Appraisal Company | 64,275 | |
| Registrations | 805 | |
| Publications | 7,859 | |
| Memberships | 130 | |
| DUES | 4,000 | |
| Miscellaneous | 33 | |
| *TOTAL* | *110,074* | *-110,074* |
| ***BALANCE OF GRF APPROPRIATION - PERSONAL SERVICE CONTRACTS*** | | ***136*** |

## OHIO RAIL DEVELOPMENT COMMISSION: June 2008 Finance Report

(page 2)

| RAIL FUND 4N40 - REVOLVING LOAN FUND | Uses of funds | Spending Authority | Cash |
|---|---|---|---|
| Cash Balance as of 4/30/08 | | | 5,578,209 |
| *LESS: OPEN ENCUMBRANCES* | 2,053,000 | | |
| *LESS: PANHANDLE RESERVE FUND* | 762,500 | | |
| *TOTAL* | *2,815,500* | | *-2,815,500* |
| **FISCAL YEAR 2008 APPROPRIATION** | | **2,411,500** | |
| *LESS: PROJECTS ENCUMBERED or DISBURSED* | | | |
| **GOE Lima, LLC** | **1,000,000** | | |
| **MGQ Unit Train Siding** | **300,000** | | |
| **WESTCO Sugar Creek Bridge #2** | **400,000** | | |
| **City of Jackson** | **300,000** | | |
| *LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)* | 174,424 | | |
| *TOTAL* | *2,174,424* | *-2,174,424* | *-1,174,424* |
| ***APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS*** | | ***237,076*** | |
| ***CASH BALANCE OF FUND 4N40 AVAILABLE**** | | | ***1,588,285*** |

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

*FY 2008 Project Balance Summary*

| | |
|---|---|
| **Remaining GRF Appropriation for Projects** | **1,880** |
| **Remaining GRF Appropriation for Personal Service Contracts** | **136** |
| **Remaining 4N40 Appropriation for Projects** | **237,076** |
| **Balance of ORDC Appropriations for Projects** | **239,092** |

## OHIO RAIL DEVELOPMENT COMMISSION: July 2008 Finance Report

**GRF APPROPRIATION AVAILABLE FOR PROJECTS**

| | | |
|---|---|---|
| ***GRF APPROPRIATION FOR PROJECTS*** | | **2,690,000** |
| *LESS: PROJECTS ENCUMBERED or DISBURSED* | | |
| *LESS: PROJECTS APPROVED BUT NOT ENCUMBERED* | | |
| **TMACOG - Freight Conference** | **2,500** | |
| **Ohio Operation Lifesaver** | **1,300** | |
| *LESS: PROPOSED GRF COMMITMENTS FOR FY 2009* | | |
| **Warren & Trumbull Railroad/Warren Steel Holdings** | **300,000** | |
| *TOTAL* | *303,800* | *-303,800* |
| ***BALANCE OF GRF APPROPRIATION FOR PROJECTS*** | | ***2,386,200*** |

| **RAIL FUND 4N40 - REVOLVING LOAN FUND** | **Uses of funds** | **Spending Authority** | **Cash** |
|---|---|---|---|
| Cash Balance as of 7/1/08 | | | **5,578,209** |
| *LESS: OPEN ENCUMBRANCES* | 3,053,000 | | |
| *LESS: PANHANDLE RESERVE FUND* | 763,700 | | |
| *TOTAL* | *3,816,700* | | *-3,816,700* |
| **FISCAL YEAR 2009 APPROPRIATION** | | **2,111,500** | |
| *LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)* | 182,964 | | |
| *LESS: PROJECTS ENCUMBERED or DISBURSED* | | | |
| *LESS: PROPOSED LOAN COMMITMENTS FOR FY 2009* | | | |
| **Lancaster Port Authority/US Corrugated** | **170,000** | | |
| *TOTAL* | *352,964* | *-352,964* | *-2,111,500* |
| ***APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS*** | | ***1,758,536*** | |
| ***CASH BALANCE OF FUND 4N40 AVAILABLE**** | | | ***-349,991*** |

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

*FY 2008 Project Balance Summary*

| | |
|---|---|
| **Remaining GRF Appropriation for Projects** | **2,386,200** |
| **Remaining 4N40 Appropriation for Projects** | **1,758,536** |
| **Balance of ORDC Appropriations for Projects** | **4,144,736** |

# PROJECT BRIEFING
# REOPENING THE WARREN & TRUMBULL RAILROAD
# TO WARREN STEEL HOLDINGS

July 1, 2008

| Project Costs | | Project Benefits |
|---|---|---|
| * ORDC GRF Grant | up to $300,000 | * W&TRR Line Reopened |
| * ORDC Crossing Funds | $250,000 | * Warren Steel Spending Over $22 Million |
| * ODOD 629 Funds | $336,100 | * 100 Rail-Dependent Jobs at Warren Steel |
| * MVEDC Funds | $285,000 | * Up to 45 Support Jobs at Scrap & Slag Affiliates |
| * To be determined | $313,900 | * Warren Site is 400 acre Brownfield Site |

**INTRODUCTION:** Trumbull County requests ORDC grant assistance of up to $300,000 in grant funding to help offset $1,485,000 in costs needed to re-open a 2.5 mile long, out of service segment of the Warren & Trumbull Railroad in the City of Warren and Howland and Champion Townships, Trumbull County. ORDC Staff requests ORDC Commissioners' approval to proceed with the project in accordance with the "Special Contingencies" outlined in this briefing.

**BACKGROUND**

***Brief History of the Railroad:*** A subsidiary of the Mahoning Valley Economic Development Corporation (MVEDC) called the Economic Development Rail II Corporation (EDRIIC) acquired the 5.28 mile Deforest Junction (MP 89.10) to North Warren (MP 94.38) line from CSX in March, 1994. (MVEDC had earlier created the Economic Development Rail Corporation to purchase the Youngstown & Austintown branchline.) The Warren & Trumbull Railroad, part of the Ohio Central System, began operations on the EDRIIC line on March 15, 1994. The major customers on the line were Copperweld Steel, Luntz Metal (the scrap company serving Copperweld), and General Refractories. The ODOT Division of Rail, a predecessor agency to ORDC, provided 60% of the acquisition costs ($145,945).

Included in the 1994 ODOT Rail grant was funding for EDRIIC to purchase a small piece of CSX property in Warren where the north-south CSX line crossed the east-west Conrail Freedom Secondary track in Warren. In 1994, Conrail had planned to abandon a 3.5 mile long segment of the Freedom Secondary on either side of the intersection of the two tracks. Anticipating this abandonment of the intersecting track, railroad, local, and state officials worked to make a cohesive railroad out of the discarded track of the two railroads. The small piece of property acquired from CSX would enable the soon to be abandoned Conrail line, and the already acquired CSX line, to be joined with a new connection track. This new connection would enable the W&TRR to interchange with both CSX and Conrail. In the Spring of 1995, EDRIIC acquired 3.5 miles of the Conrail Freedom Secondary (as well as a branch off of it called the K-Mart lead) and constructed a new connection track. ORDC contributed $275,000 of the approximately $550,000 in costs. The new connection provided physical access to both Conrail and CSX interchanges in Leavittsburg, just west of Warren. MVEDC/EDRIIC subsequently scrapped out the CSX line south of the new connection, keeping only MP 91.5 to MP 94.38. Funds from the scrapping of the line were contributed to the acquisition of the Conrail line. A map of the line as it exists today is included herein as Exhibit "A".

***Brief History of Warren Steel Holdings Plant:*** The steel plant just north of Warren has a long history. It was initially a Republic Steel plant that was absorbed as part of LTV Steel. The plant was subsequently spun off and became Copperweld Steel. In 1986, Copperweld was spun off to CSC Corporation. In November, 1993, Copperweld/CSC filed for Chapter 11 bankruptcy. Restructuring enabled CSC to come out of bankruptcy and it continued operating and using the W&TRR service. As part of its attempts to improve its operations, CSC invested about $100 million in new melting (electric arc furnace) and caster facilities in 2000. The plant produced steel by melting scrap. In 2001, however, a down steel market and a lack of operating cash forced CSC to default on a bank loan and consequently close its doors leaving over 1,000 people out of work. The new caster was not yet in use when the doors closed. In the ensuing years, the ownership has changed several times and there have been attempts to get the plant back into operations that have not come to fruition. In recent years, the conventional wisdom was that the choices for the plant were to get it going again, or to sell it to a foreign company to use whatever components (such as the new melt shop and castor) it could to produce steel overseas and scrap out the rest.

Privat Bank, a Ukrainian corporation, is the current owner of what is now called the Warren Steel Holdings plant. Warren Steel is in the process of investing over $22 million into the plant to produce steel in Warren. It has just stared getting new forging and seamless tube orders. The plant is up and running producing steel billets for the forging and seamless tube industries. Warren Steel still has more work to do to get the plant running efficiently as possible so that it can obtain more orders for its billets.

Warren Steel currently has about 100 employees. In addition, there are about 10 people working at the scrap yard next to Warren Steel, Allegheny Raw Materials, which supplies Warren scrap metal. Allegheny jobs could grow to as many as 30. In addition, Stein Inc. is a contractor which takes the slag Warren produces, recovers whatever metals it can for Warren Steel, and sells as much of the remains to be used in the agricultural field. Stein has 5 people now working handling Warren Steel slag and could add as many as 10 more. Warren Steel itself could hire another 30 or 40 workers if it can get more orders.

Warren Steel has challenges ahead, not the least of which is resolving an electric supply issue. Warren Steel is currently limited to off peak hour production because adding Warren Steel electric power requirements to the local power grid could cause brown outs during peak hours. Warren Steel is committed to providing the additional electric infrastructure it needs to resolve the situation but the power company, First Energy, has not been able to provide the specifications for the corrective actions needed. Still, Warren Steel is committed to producing from 200,000 to 300,000 tons of steel annually even under restricted hours of operation. Production could double or triple when the electric power issue is resolved. The high price of gas and oil should continue to bolster the market for seamless tubing needed for both industries.

***Economic Development Potential along the W&TRR Line:*** During the heyday of the Warren Steel plant, there were 1,700 people working making steel. Warren Steel is only using a small portion of the 400 acres of land and millions of square feet of industrial buildings. There is potential for other companies to use land or buildings that Warren Steel will not need for its steel production. Already Ohio Star Forge is leasing a building and employing 100 people in its operations on the 400 acre site. Warren Steel will work to lease out as much of its unused buildings and land as possible. In addition to the vast Warren Steel facility, there is another industrial park with several hundred acres of available land located along the line with frontage on the railroad line. Finally, just north of the Warren Steel plant, there is an industrial site that used to house a refractory plant.

***On Site Rail Issues:*** Warren Steel Holdings on site rail needs to be upgraded and improved. Warren Steel has worked closely with the W&TRR to develop the plans and specifications for the needed on site upgrade. Warren Steel will be seeking bids for approximately $1.5 million in on site work in July. It plans to have its on site rail project done by November, 2008.

**PROJECT DESCRIPTION:**

***Track Work:*** The north-south leg of the W&TRR has been out of service since 2001 when CSC shut its doors. The rail on the line is primarily 131 lb. jointed rail in reasonably good condition. The tie, surface, and crossing conditions, however, are not sufficient to carry the projected rail traffic from the Warren Steel plant. Expected rail traffic could be anywhere from 1,000 to 6,000 cars a year when full 300,000 ton per year production is reached.

In addition to the need for more tie, surfacing, and crossing work, there needs to be a new connection between the former CSX and Conrail lines. The current connection has a 26 degree curvature and is not in the proper quadrant for effective W&TRR service considering its current operations and the operations of its sister railroad in the area, the Youngstown Belt Railroad (a fellow Ohio Central Railroad affiliate). The Ohio Central acquired the Youngstown Belt after the EDRIIC acquisition of the Warren line. The W&TRR connects with the Youngstown Belt in Warren providing more connecting opportunities for the W&TRR with trunk line carriers. The new connection will enable an efficient transfer of traffic from W&TRR track to Youngstown Belt track. The new connection will require that EDRIIC acquire an easement for a very small section of property, about .078 acres. The property owner has provided verbal agreement to sell or provide an easement for the property. The Mayor of Warren has been personally working with MVEDC/EDRIIC to help resolve this sale/easement issue.

An engineer's estimate for the needed track and connection work is provided as Exhibit "B". A sketch of the needed new connecting track is included as Exhibit "C". The Exhibit B cost estimate sheet does not include the work at two crossings (N. River Road and Mahoning Avenue). Therefore, the total rehabilitation cost in Exhibit B is only $1,235,000. ORDC's Grade Crossing Safety Section has committed to rebuilding N. River road and installing state of the art active warning devices. For Mahoning Avenue, ORDC has committed to provide whatever upgrade in the active warning devices is needed. ORDC's initial estimate of these N. River Road and Mahoning Avenue crossing improvements is $250,000. Total project costs will therefore be $1,485,000. The crossing work will be done under a different contract than the other track work. (ORDC will contract directly with the W&TRR for the grade crossing work.)

***Funding and Funding Gap:*** The present plan is for Trumbull County to administer the $1,235,000 project. It would collect the up to $300,000 in proposed ORDC GRF grant funds, as well as the Ohio Department of Development's $336,100 in 629 Roadwork Development funds for all crossing work not paid for by ORDC, as well as the MVEDC contribution of $285,000 and let a contract for the needed Exhibit B work. At present, however, there is a funding gap of $313,900. Currently, ORDC Staff is working with Trumbull County, the W&TRR, and MVEDC to figure out how to reduce the funding gap. The gap can be reduced by either raising more money, or cutting back on the project work. The $1,235,000 cost estimate is nearly a year old. With rising prices for track materials, it is doubtful that there can be significant savings from any reductions in the scope of work but this option will still be examined.

**WHY ORDC FUNDING IS NEEDED:** Without ORDC funds, the project can not go forward.

**OTHER CONTRIBUTIONS**

- Warren Steel is investing $1.5 million in on site rail improvements.
- The W&TRR had provided over $300,000 in on site improvements in the past and is providing engineering assistance for both on site and off site rail. In addition, the W&TRR will need to absorb all of the cost of restarting operations on the out of service line other than track rehabilitation.
- MVEDC is investing $285,000 in cash.
- ODOD is providing $336,100 in 629 Roadwork Development grant funds.

**PROJECT BENEFITS**

- Warren Steel cannot operate its plant for the long term without effective rail service. Warren Steel is currently employing 100 people with an average wage of $16 per hour. Warren Steel could add 30 to 40 new jobs as production increases.
- Warren Steel's on site contractors employ 15 people at present with the potential to rise to 40.
- Reopening the W&TRR brings rail access to the entire 400 acre Warren Steel site as well as an industrial park in Warren.

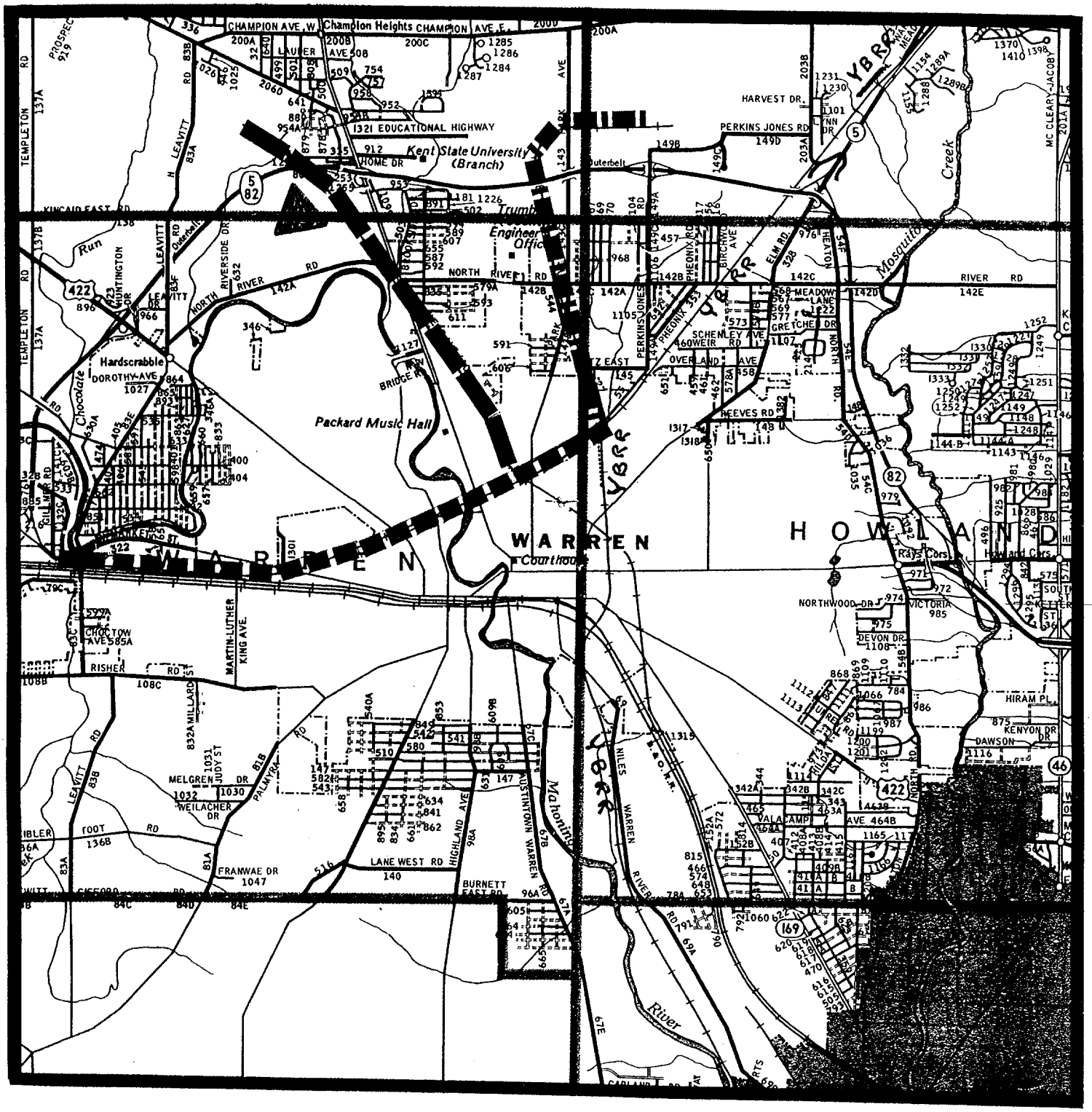
**STAFF RECOMMENDATIONS/SPECIAL CONTINGENCIES:** Staff requests that ORDC Commissioners empower the Executive Director to invest up to $300,000 in GRF grant funds in the W&TRR rehabilitation project by granting funds to Trumbull County, or another entity to be determined. Such entity would most likely be the Warren & Trumbull Railroad or the Mahoning Valley Economic Development Corporation. The Executive Director will report back to the Commissioner the final provisions of the W&TRR track rehabilitation project.

In considering the amount of ORDC funds to invest, the Executive Director shall consider the following issues: 1) the amount of additional funds from non-ORDC sources raised to help fill the current funding gap; 2) the efficacy of reducing the scope of work of the track project if indeed the entire funding gap cannot be filled; 3) the resolution of the property issue which needs to be resolved for the construction of a new connection at Warren; and 4) Warren Steel progressing with its promised on site investment in rail.

The Executive Director needs the authority above because the off site work needs to get underway before the September Commission Meeting.

# W&TRR/EDRC II
# RAIL LINES

A




WARREN STEEL

**Former CSX**

**Former CR**

**K-Mart Lead**

B

# MCR Consulting, Inc.

2711 Mohican Dr. Dover, Ohio 44622 (330) 343-2493 Phone & Fax

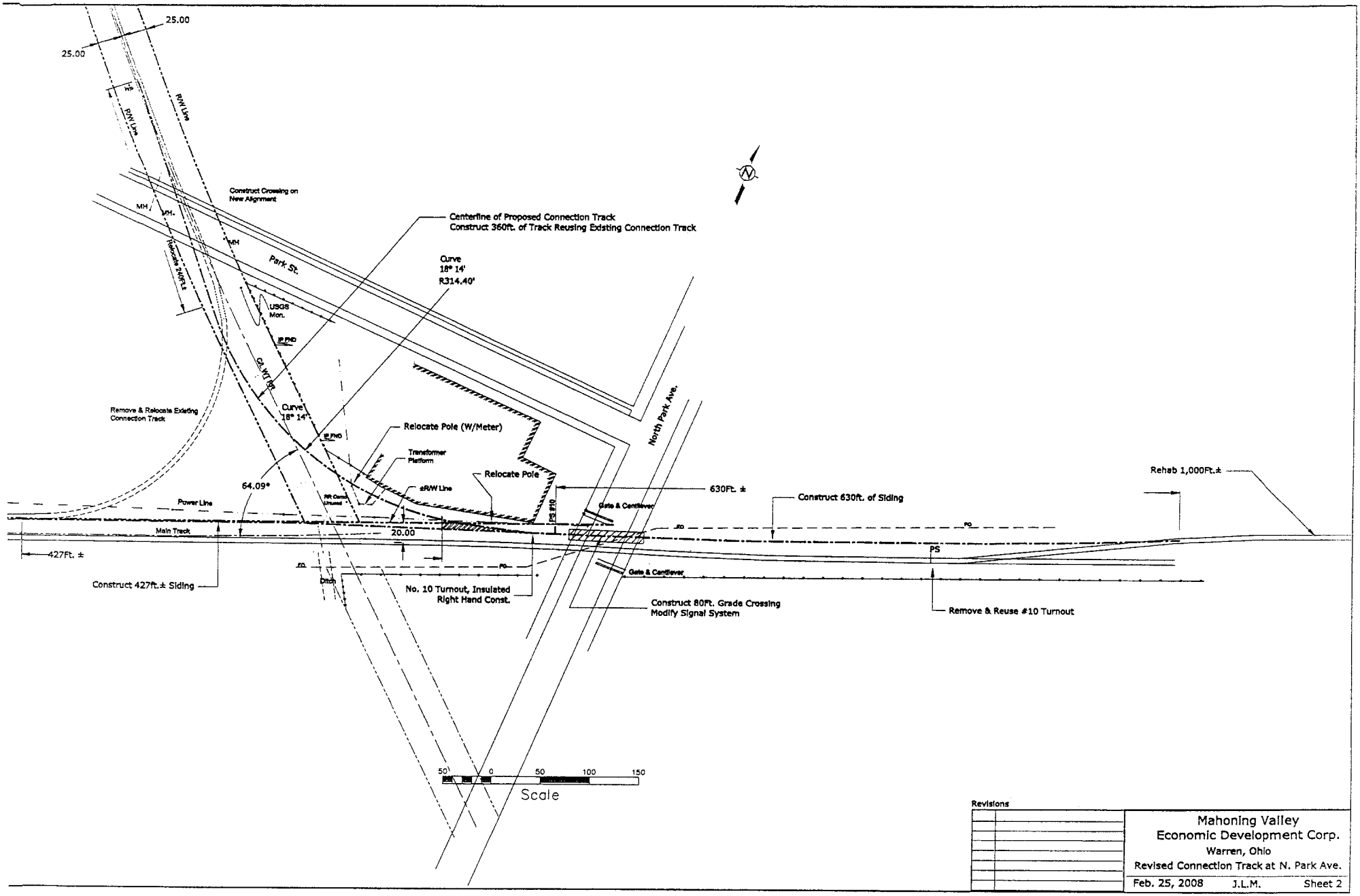
3/6/08

Scope of Work

Mahoning Valley Economic Development Corp.
4319 Belmont Ave. Youngstown, Ohio 44505
Donald French, Executive Director

Estimated Costs Associated With The Revised Connection Track to the North Bound W&T Line

| | | |
|---|---|---|
| Revise Connection Track: | | |
| Surveying, Engineering, Design, Plan Set, Bid Package | LS | $18,000 |
| Acquire Adjacent Property for Track Construction. 0.0784 Acre (3,415 SF) | LS | $25,000 |
| Clearing & Grubbing From Connection Track Area to Paige St. Rail Yard | LS | $25,000 |
| All Track Bed Excavation, Grading & Drainage Ditch Changes | LS | $20,000 |
| Remove the Existing Connection Track for Reuse | 390 Ft. | $7,800 |
| Remove the Left Hand No. 10 Turnout East of No. Park Ave. and Retain for Reuse | LS | $5,000 |
| Construct Track From Paige St. Rail Yard to the New No. Park Ave. Crossing | 540 Ft. | $72,900 |
| Construct a Grade Crossing for the New Track Through No. Park Ave. | 72 Ft. | $64,800 |
| Modify No. Park Ave. Signal System to Accommodate the New Track | LS | $15,000 |
| Install the Retained No.10 Turnout West of No. Park Ave. in The New Connection Track. Convert to Right Hand Operation. Includes Switch Signal Work | LS | $18,000 |
| Construct Siding Track From the No. 10 Turnout, Westward and Tie Into the Existing (Former) Connection Track | 427 Ft. | $57,000 |
| Construct New Connection Track From No. Park Ave. to North St. Crossing Using Retained Materials | 390 Ft. | $12,900 |
| Construct New Connection Track From No. Park Ave. to North St. Crossing Using New Track Materials | 130 Ft. | $17,600 |
| Construct a Grade Crossing for the New Track Through North St. on the New Alignment | 80 Ft | $64,000 |
| Paige St. Rail Yard: | | |
| Replace Crossties | 600 Ea. | $40,000 |
| Machine Tighten All Track Bolts & Replace any Defective | LS | $5,000 |
| Add Track Stone | 1,000 Tons | $20,000 |
| Raise to Correct Grade and Crosslevel, Machine Tamp & Machine Finish Dress | 2,500 Ft. | $6,300 |
| Install Rail Anchors | 1,800 Ea. | $4,100 |
| MP 91.5 North St. to MP 94.0 SR 5 | | |
| Cut Brush and Improve Crossing Sight Distance | LS | $8,000 |
| Replace Crossties | 4,750 Ea | $332,500 |
| Machine Tighten All Track Bolts and Replace any Defective | LS | $14,500 |
| Add Track Stone | 3,950 Tons | $79,000 |
| Raise to Corrected Grade and Machine Tamp & Machine Finish Dress | 13,200 TF | $33,000 |
| Install Rail Anchors | 9,600 Ea. | $21,600 |
| Excavate Ditches | 10,000 LF | $55,000 |
| Reconstruct Various Grade Crossings | 152 Crossing Ft. | $135,000 |
| Reactivate Crossing Signal Systems: | | |
| Hall St. | LS | $5,000 |
| Comstock St. | LS | $5,000 |
| | Change Order Allowance | $48,000 |
| | | $1,235,000 |




Revisions

| | |
|---|---|
| | |
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| | |
| | |

Mahoning Valley
Economic Development Corp.
Warren, Ohio
Revised Connection Track at N. Park Ave.
Feb. 25, 2008 J.L.M. Sheet 2

# RESOLUTION 08-11

## RE: TRUMBULL COUNTY/WARREN & TRUMBULL RAILROAD/WARREN STEEL HOLDINGS

This resolution will be provided at the Commission meeting.

# PROJECT BRIEFING
# LANCASTER PORT AUTHORITY SPUR TO SERVE US CORRUGATED, PHASE II, ORDC LOAN

July 2, 2008

| Project Costs | | Project Benefits |
|---|---|---|
| * ORDC Grant | $90,000 (May Mtg.) | * 110 New Jobs |
| * ORDC Loan up to | $170,000 (Current Request) | * 200 to 500 New Carloads on RR |
| * ODOD Grant | $90,000 (Approved by ODOD) | |
| * Port Authority | $250,000 plus any overages | |

**INTRODUCTION:** At the May 8, 2008 Commission Meeting, Staff presented Commissioners with an Approved Project Briefing for a $90,000 grant to the Lancaster Port Authority to help it build an new spur to serve a new US Corrugated plant. That Approved Project Briefing noted that:

"*The Port Authority has a stream of revenues from the local gas company it operates and may need to take out a loan of about $170,000 to fulfill its commitment to provide rail. ORDC and the Port Authority have had preliminary discussions about ORDC providing a loan but there was not time to work out the details before ORDC Staff sent out information to ORDC Commissioners for the May 8, 2008 meeting.... The loan project would be presented at the next meeting for the vote of ORDC Commissioners.*"

Subsequently, Staff has met with the Port Authority and agreed to provide a loan of up to $170,000 for the US Corrugated project, subject to approval of ORDC Commissioners. The loan would be for a term of three years with interest in year one being 0% and interest in years two and three being 2/3 of the prime rate. The Port Authority would pledge guaranteed proceeds from its gas company to repay the loan.

**BACKGROUND:** The Lancaster Port Authority and the City of Lancaster have been developing an industrial park with 450 shovel ready acres located between the new US 33 four lane, divided highway bypass and the railroad tracks of the Indiana & Ohio Railway (I&O) Columbus to Logan line. Local government agencies have invested several million in infrastructure (sewer, water, road, and electric) to prepare for new businesses.

US Corrugated is a producer of corrugated cardboard products which currently has plants in Wisconsin and Georgia. After looking at sites in Ohio and Pennsylvania, US Corrugated chose Lancaster as the site of its new 315,000 sq. ft., $35 million box plant. It started construction on the plant on April 1 of this year and is expected to be in operation as early as September.

Rail was a key part of the state and local incentives package. US Corrugated needs rail to bring in large rolls of paper. Railroad officials estimate the total rail use at the new Lancaster plant will start out at between 200 to 500 carloads per year but could rise higher. The I&O can offer daily service to the new plant with existing crews that already serve Anchor Hocking facilities in Lancaster. The additional carloadings will add to the viability of the I&O's Columbus to Logan operations which are profitable, but need more traffic to meet the high capital costs of railroading. I&O trains from the Logan line have direct access to CSX in Parsons Yard and access to Norfolk Southern via an interline switching charge.

The Lancaster Port Authority and the City of Lancaster promised to pay for all rail costs as part of the local incentives package.

**PROJECT DESCRIPTION:** The rail project is to build a turnout and 1,600 ft. of new track off of an existing spur serving Anchor Hocking. Final engineering was completed in late April. A copy of the engineer's estimate for total project costs is included as Exhibit "A". Not included in the Exhibit A costs are the costs to cross two

gas pipelines (which will not be excessive as the pipes are buried deep) and about $15,000 in engineering costs. A site location aerial is included as Exhibit "B". The Port Authority has obtained bids (including the costs of crossing the pipelines) and is in the process of evaluating them. If the low bid is accepted, the ORDC loan may be as low as $119,950. If the second lowest bid is accepted, the ORDC loan could be as low as $134,950.

The Lancaster Port Authority has raised $250,000 in cash along with grants of $90,000 from ORDC (May Meeting) and $90,000 from the Ohio Department of Development. The Port Authority has a stream of revenues from the local gas company it operates to repay ORDC up to $170,000 in loan funds. The track will be built by September when the plant will begin operations.

The Lancaster Port Authority will own and maintain the track once it is completed.

**WHY ORDC FUNDING IS NEEDED:** ORDC is partnering with Lancaster and the Ohio Department of Development to provide an incentive for a new rail-dependent business to locate in Ohio. The ORDC loan represents the last dollars needed to implement the rail spur project.

**PROJECT BENEFITS**

- 110 new jobs averaging about $16/hr. in pay plus $6 per hour in benefits.
- 200 to 500 new carloads for a short line that needs more traffic.

**OTHER CONTRIBUTIONS**

- Community Reinvestment Area 15 year, 100% property tax abatement
- Local contributions for road improvements.
- Local contributions for about $420,000 (including loan repayments) of the total rail costs.
- ODOD Rapid Outreach grant to Lancaster of $90,000 for the rail spur.
- ODOD Job Creation Tax Credit to US Corrugated valued at $236,000
- ODOD 629 Roadwork Development grant to Lancaster of $150,000.

**SPECIAL CONTINGENCIES:** ORDC staff requests that ORDC Commissioners empower the Executive Director to complete a loan of up to $170,000 so that the costs of unexpected change orders can be covered with ORDC loan funds.

# ESTIMATE OF PROBABLE CONSTRUCTION COST

## *RAILROAD TRACK TO SERVE U.S. CORRUGATED, LANCASTER, OHIO*

**BRH Group, Inc.**
**705-F Lakeview Plaza Boulevard**
**Worthington, Ohio 43085**

THIS COST ESTIMATE IS BASED UPON THE PRELIMINARY PLANS PREPARED BY BRH GROUP, INC. ON 4/24/2008. OHIO DEPARTMENT OF TRANSPORTATION ITEMS SHOWN UNLESS OTHERWISE NOTED, AS LISTED IN THE 2008 EDITION OF THE CONSTRUCTION AND MATERIAL SPECFICATIONS. THE FOLLOWING ITEMS ARE EXCLUDED FROM THIS ESTIMATE AND MAY INCREASE THE COST OF THE PROJECT:

-ADDITIONAL WORK TO REMEDY POOR SUBGRADE SOILS, INCLUDING SOIL STABILIZATION, UNDERCUTTING, GEOGRID, OR STONE EMBANKMENT.
-RIGHT-OF-WAY AND/OR EASEMENT ACQUISITION
- SOIL TESTING AND CONSTRUCTION INSPECTION

DATE: 29-Apr-08
PAGE No: 1 of 2

| ITEM | DESCRIPTION | QUANTITY | UNIT | UNIT PRICE | TOTAL |
|---|---|---|---|---|---|
| | **TRACK GRADE CONSTRUCTION** | | | | |
| 201 | Clearing & Grubbing | 1 | LS | $10,000.00 | $10,000.00 |
| 203 | Excavation | 3,000 | CY | $8.00 | $24,000.00 |
| 203 | Embankment | 7,300 | CY | $4.00 | $29,200.00 |
| 204 | Subgrade Compaction and Proofrolling | 4,400 | SY | $1.50 | $6,600.00 |
| 712.09 | Geotextile | 4,400 | SY | $2.50 | $11,000.00 |
| 304 | Subballast | 1,500 | CY | $39.00 | $58,500.00 |
| | | | | | |
| | **EROSION CONTROL** | | | | |
| 207 | Filter Fabric Fence, Temporary Erosion Control | 1,300 | LF | $3.00 | $3,900.00 |
| 659 | Seeding & Mulching | 3,500 | SY | $3.00 | $10,500.00 |
| | | | | | |
| | **DRAINAGE** | | | | |
| 601 | Rock Channel Protection | 15 | CY | $100.00 | $1,500.00 |
| 603 | 24" Type A (including 2 endwalls) | 60 | LF | $100.00 | $6,000.00 |
| 603 | 30" Type A | 34 | LF | $60.00 | $2,040.00 |
| 603 | 42" Type A | 152 | LF | $70.00 | $10,640.00 |
| 603 | 48" Type A (including 1 endwall) | 65 | LF | $160.00 | $10,400.00 |
| 603 | #3 Manhole | 1 | EA | $3,000.00 | $3,000.00 |
| 603 | 2-5 Catch Basin | 1 | EA | $3,000.00 | $3,000.00 |
| 605 | Underdrain | 523 | LF | $10.00 | $5,230.00 |
| | | | | | |
| | **TRACK** | | | | |
| | #10 Turnout Complete | 1 | EA | $50,000.00 | $50,000.00 |
| | Track (including rail, crossties, and ballast) | 1,634 | LF | $150.00 | $245,100.00 |
| | Hinge Derail | 1 | EA | $1,000.00 | $1,000.00 |
| | Sliding derail | 1 | EA | $3,000.00 | $3,000.00 |

Cost Estimates prepared by the Engineer represent their best judgement as a design professional. The Engineer has no control over market conditions. Bids or prices may vary from this cost estimate.

# ESTIMATE OF PROBABLE CONSTRUCTION COST

## *RAILROAD TRACK TO SERVE U.S. CORRUGATED, LANCASTER, OHIO*

**BRH Group, Inc.**
**705-F Lakeview Plaza Boulevard**
**Worthington, Ohio 43085**

DATE: 29-Apr-08
PAGE No: 2 of 2

| ITEM | DESCRIPTION | QUANTITY | UNIT | UNIT PRICE | TOTAL |
|---|---|---|---|---|---|
| | Bumping Post | 1 | EA | $4,000.00 | $4,000.00 |
| | Door Threshold | 1 | EA | $2,000.00 | $2,000.00 |
| | Crossbuck Signs | 1 | LS | $2,000.00 | $2,000.00 |
| | Grade Crossing | 1 | EA | $4,000.00 | $4,000.00 |
| | | | | | |
| | **OVERHEAD ELECTRIC CROSSING** | | | | |
| | Electric Crossing Raise Over Track, Complete | 1 | LS | $24,950.00 | $24,950.00 |
| | | | | | |
| | **MISC** | | | | |
| 623 | Construction Layout Stakes | 1 | LS | $5,000.00 | $5,000.00 |
| 624 | Mobilization | 1 | LS | $5,000.00 | $5,000.00 |
| | | | | | |
| | Total | | | | $541,560.00 |
| | Contingency (10%) | | | | $54,156.00 |
| | **TOTAL CONSTRUCTION COST** | | | | **$595,716.00** |

Cost Estimates prepared by the Engineer represent their best judgement as a design professional. The Engineer has no control over market conditions. Bids or prices may vary from this cost estimate.

# SITE OF NEW US CORRUGATED BOX PLANT

# RESOLUTION 08-12

**RE: LANCASTER PORT AUTHORITY US CORRUGATED SPUR PROJECT LOAN**

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE LANCASTER PORT AUTHORITY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the Lancaster Port Authority (the "Authority"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Authority; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Authority, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Authority with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Authority, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Jolene M. Molitoris, Chairwoman | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| _____ for James G. Beasley | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| Barbara Hammontree Bennett | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| William Murdoch for Lt Gov Fisher | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| Solomon Jackson | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| Thomas McOwen | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| Larry Sowers | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |
| Herk Wolfe | ____ | yes | ____ | no | ____ | absent | ____ | abstained | ____ recused |

**ORDC ACTION:** Motion approved _____ Other action _____
Motion denied _____ Date 7/10/2008

**CERTIFICATE**

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/10/2008
Jolene M. Molitoris, Chairwoman Date

**EXHIBIT A**

A loan in an amount of up to One Hundred Seventy Thousand Dollars ($170,000) (the "ORDC Loan") to construct the Rail Service Project as defined herein. The ORDC Loan shall be used to construct a turn out and 1,600 ft. of new track off of an existing spur serving the Anchor Hocking line. The ORDC Loan shall have a term of three years with zero percent (0%) interest in year one and 2/3 of the prime rate interest in years two and three. The Authority shall pledge collateral as determined by the Executive Director of the ORDC for the ORDC Loan.

The ORDC Loan is subject to the following conditions:

1. The Authority must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Loan.

2 The Authority shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

Resolution 08-13 – Briefing

## 2008 Dennison Depot Polar Express Proposal

For many years the Ohio Central Railroad and the Dennison Depot enjoyed a productive relationship regarding the Polar Express Excursion operation using the restored Dennison Railroad Depot. Citing the added liability, the Ohio Central began phasing out its excursion operations both on its own lines as well as the Panhandle several years ago. Last year, the Ohio Central operated the Polar Express but informed both the Dennison Depot and the ORDC that does no longer wish to operate those excursions trains due to the liability exposure to the company.

ORDC staff and the Dennison Depot discussed options for continuing operations. ORDC staff informed the Dennison Depot that the Panhandle Operating Agreement included provisions to allow third party operators on the line that it could pursue for a 2008 Polar Express Excursion. On March 28, 2008 ORDC received the first proposal for the 2008 Polar Express Service which was subsequently amended on April 3, 2008. (Attached as Exhibit A) Again following the procedures outlined in the operating agreement, ORDC staff has been working with both the railroad and the Depot to develop procedures that are acceptable to both parties. There are two issues that have been the most challenging to address, liability, and its associated costs, as well as the fact that the Dennison Depot does not have a history of physically running the trains. Rather than focus on the amount of liability insurance to require, staff chose instead to focus on mitigating the risks which also directly addresses concerns regarding the Depot's lack of operating history. With the help of the Department of Administrative Services, staff was able to develop a process that focuses attention on those operational elements that are most associated with liability claims. (Attached as Exhibit B) It is not by coincidence that by focusing on these elements, safety concerns regarding the operation of the excursion are also addressed.

Staff recommends the Commission approval of the 2008 Polar Express Excursion Service on December 5, 6 and 7 and December 13 and 14 the subject to all of the following conditions:

- The Depot will use its best efforts to reconfigure the route and operations (possibly slowing the speed and reducing the distance without negatively impacting the time of the trip) of its service to reduce the number of grade crossings traveled if feasible.
- Local law enforcement will provide additional safety at grade crossings as the train passes.
- The equipment (both locomotives and passenger cars) for the service will be inspected by the FRA. (The Ohio Central will only be involved in the portion of the inspection that is external and needed to interchange the cars to the Depot.) Dennison Depot will work with the railroad directly to get rates to move cars to the Depot.
- The Ohio Central, with concurrence from the FRA, will provide a procedure to qualify the locomotive engineers on the equipment and territory.

- Prior to the operation of each excursion run, the excursion operator must, at its own cost, provide for inspection of the track to be used by a certified track inspector and that inspector must certify that the track is adequate for the service recommended. If there are freight movements over the same track between excursion runs, the excursion operator must re-inspect and recertify the track prior to the next excursion run.
- Agreement by the Depot that any Excursion Service must not unduly interfere with the freight operations. In the event that there is a conflict between freight train movement and an Excursion Service movement, the freight train movement shall have priority. Additionally, the Depot agrees to pay any late fees or penalties that the freight operator incurs as result of excursion. Both the parties shall make best faith efforts to coordinate any Excursion Service with the freight movements so that the freight service is not unduly interrupted.
- If all of the conditions above are met then the liability insurance amount required will be $30 million.
- Fees charged for the Dennison Depot to run the service will be $2,016.67 per day of the operation plus any itemized expenses for actual costs incurred by the railroad for such items as inspection and training of crews.
- Further Polar Express Operations are not guaranteed and are subject to evaluation each year. This authorization only applies to December 2008.

# RESOLUTION 08-13

## RE: DENNISON RAILROAD DEPOT MUSEUM ("DENNISON") PANHANDLE RAIL LINE POLAR EXPRESS EXCURSION RAIL SERVICE TERMS

A RESOLUTION SPECIFYING THE TERMS OF GRANTING THE DENNISON POLAR EXPRESS RAIL SERVICE RIGHTS TO OPERATE ON THE PANHANDLE RAIL LINE.

WHEREAS, the ORDC is authorized by ORC 4981, Sections .14 (9) and (18) to exercise all powers necessary or appropriate to carry out its corporate purposes including the authority to make and enter all agreements necessary to the performance of its duties and the execution of its powers; and

WHEREAS, on May 17, 2007, the ORDC entered into an Operating Agreement with the C&OR for the operation of the Panhandle Rail Line ("Panhandle"); and

WHEREAS, Articles 26 and 4 of the Operating Agreement set forth the terms and conditions by which the ORDC may permit a qualified excursion operator to operate on the Panhandle; and

WHEREAS, Dennison submitted a proposal to operate on the Panhandle to the ORDC on March 26, 2008 and an addendum to the proposal on April 3, 2008.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio that the ORDC approves of Dennison's request on the terms and conditions summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Jolene M. Molitoris, Chairwoman | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| _____for James G. Beasley | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| Barbara Hammontree Bennett | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| William Murdoch for Lt Gov Fisher | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| Solomon Jackson | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| Thomas McOwen | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| Larry Sowers | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |
| Herk Wolfe | ____ | yes | _____ | no | _____ | absent | _____ | abstained | ____ | recused |

**ORDC ACTION:** Motion approved _____ Other action _____
Action denied _____ Date 7/10/2008

**CERTIFICATE**

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 7/10/2008
Jolene M. Molitoris, Chairwoman Date

**EXHIBIT A**

Dennison may operate the 2008 Polar Express Excursion Rail Service on December 5, 6, 7, 13 and 14 on the Panhandle subject to meeting all of the following conditions to the satisfaction of ORDC's Executive Director:

1. Dennison shall use its best efforts to configure the route and operations (including, but not limited to, reducing the speed and decreasing the distance without negatively impacting the time of the trip) of its excursion service to reduce the number of grade crossings traveled.
2. Local law enforcement shall provide additional safety at grade crossings as the train passes for each excursion.
3. The equipment (both locomotives and passenger cars) used by Dennison shall be inspected by the FRA and evidence of such inspection shall be submitted to the ORDC prior to the operation of the excursion service. Ohio Central Railroad ("OCR") will only be involved in the portion of the inspection that is external and needed to interchange the cars to Dennison. Dennison shall secure rates to transport rail cars to Dennison directly from the OCR.
4. The OCR, with concurrence from the FRA, shall provide Dennison with a written procedure to qualify Dennison locomotive engineers on the equipment and territory.
5. Prior to the operation of each excursion run, Dennison shall, at its own cost, provide for inspection of the Panhandle track to be used by a certified track inspector and that inspector must certify to the ORDC and the OCR in writing that the track is adequate for the service recommended. If there are freight movements over the same Panhandle track between excursion runs, Dennison must have the track re-inspected and re-certified prior to the next excursion run.
6. The Excursion Service shall not unduly interfere with the freight operations of the OCR. In the event that there is a conflict between freight train movement and an excursion service train, the freight train movement shall have priority. Additionally, Dennison shall pay any late fees, costs or penalties that the OCR incurs as a result of an excursion train movement to the OCR. Both Dennison and the OCR shall employ their best faith efforts to coordinate any excursion service with the freight movements so that the freight service is not unduly interrupted.
7. Dennison shall agree to indemnify the OCR and the ORDC and hold them harmless from and against any loss, claim, damage, cause of action, destruction, or liability (including, without limitation, attorneys' fees) which arises in any way from, during or in connection with Dennison's presence on, use of or operation over the Panhandle. Dennison shall also provide and maintain insurance against the liability herein described, naming the ORDC and the OCR as an additional insured, in the amount of Thirty Million Dollars ($30,000,000), and evidence of such insurance shall be provided to the ORDC prior to the operation of its excursion service. If at any time for any reason said insurance shall lapse, be canceled, or otherwise cease to be in effect, ORDC shall require Dennison to immediately vacate the Panhandle and refrain from any use thereof or operation thereover until said insurance is again full effective.
8. Dennison shall pay $2,016.67 per day of the excursion operation plus any itemized expenses for actual costs incurred by the OCR for such items as inspection and training of crews to the ORDC.